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YORKE PENINSULA COUNCIL

Long Term Financial Plan

2013/14 to 2022/2023

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Executive Summary

The objective of the Long Term Financial Plan (LTFP) is to ensure that Council is financially sustainable and able to provide at least the current level of services over the 10 years of the plan.

In 2011/12, as the result of an extensive review, by staff and an independent local government consultant, of Council's financial performance and position over the previous 5 - 10 years Council determined that:

“DCYP (now YPC) needs to commit to progressively improving its financial performance. If it doesn't then service levels will decline over time as Council will not be able to renew and replace assets as required.”

The LTFP is used as a tool to establish and communicate Council's general financial direction over the longer term and to assist in the assessment of Council's current financial position in conjunction with its Annual Business Plan and Annual Budgets preparation together with ongoing quarterly Budget Reviews.

Section 122 (4a) of the Local Government Act 1999 requires Council to undertake a review of its long term financial plan as soon as practicable after adopting the council's annual business plan for a particular financial year.

Also required under the Act:

- S.8 (k): *A council must act to ensure the sustainability of (its) long-term financial performance and position*
- S.150 (c): *(A) council should, in making any (rating) decision, take into account the financial effects of the decision on future generations*

Council's previous LTFP published in 2011/2012 was based on the following key strategies:

- Achieve operating surplus as a minimum within next 10 years (2021/2022);
- Spending on asset renewal consistent with AMP identified needs (say +/- 10%); to ensure Asset Sustainability in the long term;
- No new services to be introduced without consideration of the impact on the LTFP;

In preparing this updated version to 2022/2023 Council has adhered to the long term strategy adopted in 2011/2012 and will continue to monitor these key aims across the long term of its Financial Plan going forward.

The 2013/14 to 2022/23 LTFP has been created using the current year Revised Budget, endorsed by Council at its November 2013 meeting, as year 1 of the plan.

The LTFP is intended to be a “live” document requiring adjustment and assessment as Council makes financial decisions which may affect its financial position long term. In particular decisions made in the key areas of rate movements, asset replacements and renewals, and the sustainability of service levels to be provided (inclusive of operating costs over the long term) require constant monitoring and review.

The LTFP is derived from a sub set of strategic financial policies, including Infrastructure Asset Management Plans (IAMP) for all classes of assets, and a set of assumptions necessary given the high level of the LTFP itself and the long term nature of all forecasts made. (refer to pages 7 & 8 of this document for a summary of the major assumptions applied)

Resources Referenced

Resources referenced for the construction of the YPC LTFP include:

- Previous Long Term Financial Plans;
- 2012-2013 Audited Financial Statements;
- 2013-14 Revised Budget (September Quarter review);
- 2013-2014 Adopted Budget (adopted July 2013);
- 2013-2014 Annual Business Plan (adopted July 2013);
- Infrastructure Asset Management Plans;
- 2013/14 Annual Business Plan;
- Input from the CEO, Council Directors and key Council staff;
- Requests from Elected Members.

Key Assumptions

The key assumptions in achieving this result are:

- Expected CPI movement of 3.2% per annum across the 10 years of the plan;
- Average Enterprise Bargaining Agreement (EBA) Movements of 3.4%, based on current EBA's for inside and outside staff;
- Rate increases for financial sustainability at 3% above CPI;
- Area growth of 0.5% per annum;
- Power and Water charges increasing at 1.2 times CPI movement;
- Spending on parts and consumables at approximate CPI plus 0.1% to allow for increased usage of services resulting from growth;
- Increase in expenditure on waste collection to match revenue increases at CPI plus growth;
- Spending on asset renewal (excluding Transport Infrastructure) in line with existing IAMP's or at about estimated needs;
- Spending on renewal of Transport Infrastructure increasing at 7% per annum with program acceleration increases (also indexed at 7% per annum) of \$830k in 2014/15, \$1.1m in 2017/18, \$220k in 2018/2019, \$330k in 2019/20, \$40k in 2020/21, and \$300k in 2022/23. This strategy results in approximately an additional \$19m being invested in renewal of transportation infrastructure over the 10 years of the plan;
- Council been awarded Government funding for the Walk the Yorke project on a dollar for dollar basis and expenditure is scheduled in 2013/14 (\$800k), 2014/15 (\$1.086m) and 2015/16 (\$800k) as required by the terms of the grant funding agreement for the project.
- Spending on other new assets is at about 2012/13 levels of approx. \$2.3m pa plus an average increase of 5.5% per annum;
- No other new additional services or increase in existing service levels.



Yorke Peninsula Council Long Term Financial Plan 2013/2014 to 2022/2023

The following tables outline the assumptions that have been built in to the projection model.

Key Assumptions Tables

Long Term Financial Plan 2013/14 - 2022/23 Assumptions		1									
		2015 Plan Year 2	2016 Plan Year 3	2017 Plan Year 4	2018 Plan Year 5	2019 Plan Year 6	2020 Plan Year 7	2021 Plan Year 8	2022 Plan Year 9	2023 Plan Year 10	
Expected CPI Movement		3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	
EB Movements		3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	
Rates	General Movement	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	
	Growth	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	
	Sustainability	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	TOTAL	6.70%	6.70%	6.70%	6.70%	6.70%	6.70%	6.70%	6.70%	6.70%	
CWMS	General Movement	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	
	Growth	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	
	Sustainability	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	
	TOTAL	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	
Finance Charges (Existing Borrowings)	Overdraft Rates	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	
	Loan Interest Rate	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	
Energy Cost	CPI	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	
	Cost Pressure Increase	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	
	TOTAL	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	



Yorke Peninsula Council Long Term Financial Plan 2013/2014 to 2022/2023

Key Assumptions Tables (contd)

Long Term Financial Plan 2013/14 - 2022/23 Assumptions		3									
Forecast Renewal of Assets		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
		Rev Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
		1st Quarter	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		\$(’000)	\$(’000)	\$(’000)	\$(’000)	\$(’000)	\$(’000)	\$(’000)	\$(’000)	\$(’000)	\$(’000)
Buildings and Other Structures	Scheduled	169	400	413	426	440	454	468	483	499	515
	Acceleration	0	0	0	0	0	0	0	0	0	0
	TOTAL	169	400	413	426	440	454	468	483	499	515
Transportation Infrastructure	Scheduled	2,384	2,554	3,621	3,874	4,146	5,613	6,241	7,034	6,760	7,233
	Acceleration	0	830	0	0	1,100	220	330	40	0	300
	TOTAL	2,384	3,384	3,621	3,874	5,246	5,833	6,571	7,074	6,760	7,533
Plant & Equipment	Scheduled	1,419	1,463	1,592	1,643	1,696	1,750	1,806	1,864	1,923	1,985
	Acceleration	0	80	0	0	0	0	0	0	0	0
	TOTAL	1,419	1,543	1,592	1,643	1,696	1,750	1,806	1,864	1,923	1,985
CWMS Infrastructure	Scheduled	156	160	186	192	198	204	211	217	224	232
	Acceleration	0	20	0	0	0	0	0	0	0	0
	TOTAL	156	180	186	192	198	204	211	217	224	232
Water Scheme Infrastructure	Scheduled	0	93	96	100	103	106	109	113	117	120
	Acceleration	0	0	0	0	0	0	0	0	0	0
	TOTAL	0	93	96	100	103	106	109	113	117	120
Other Assets	Scheduled	818	84	231	176	264	298	144	121	211	218
	Acceleration	0	0	0	0	0	0	0	0	0	0
	TOTAL	818	84	231	176	264	298	144	121	211	218
Stormwater Drainage	Scheduled	120	50	52	53	55	57	59	60	62	64
	Acceleration	0	0	0	0	0	0	0	0	0	0
	TOTAL	120	50	52	53	55	57	59	60	62	64
Total Asset Renewal Expenditure		5,066	5,734	6,190	6,464	8,001	8,702	9,367	9,933	9,796	10,667

Yorke Peninsula Council Long Term Financial Plan 2013/2014 to 2022/2023



Key Assumptions Tables (contd)

Long Term Financial Plan 2013/14 - 2022/23 Assumptions		4									
Forecast New Assets		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
		Rev Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
		1st Quarter	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		\$(’000)	\$(’000)	\$(’000)	\$(’000)	\$(’000)	\$(’000)	\$(’000)	\$(’000)	\$(’000)	\$(’000)
Buildings and Other Structures	Scheduled	154	500	200	205	210	215	220	225	230	235
	Acceleration	0	0	0	0	0	0	0	0	0	0
	TOTAL	154	500	200	205	210	215	220	225	230	235
Transportation Infrastructure	Scheduled	834	893	1,137	1,220	1,305	1,503	1,662	1,778	1,902	2,038
	Acceleration	0	170	0	0	100	50	0	0	0	50
	TOTAL	834	1,063	1,137	1,220	1,405	1,553	1,662	1,778	1,902	2,088
Plant & Equipment	Scheduled	160	165	258	266	275	284	293	302	312	322
	Acceleration	0	85	0	0	0	0	0	0	0	0
	TOTAL	160	250	258	266	275	284	293	302	312	322
Furniture & Fittings	Scheduled	0	32	33	34	35	36	37	39	40	42
	Acceleration	0	0	0	0	0	0	0	0	0	0
	TOTAL	0	32	33	34	35	36	37	39	40	42
CWMS Infrastructure	Scheduled	138	140	206	213	220	227	234	242	249	257
	Acceleration		60	0	0	0	0	0	0	0	0
	TOTAL	138	200	206	213	220	227	234	242	249	257
Water Scheme Infrastructure	Scheduled	12	0	0	0	0	0	0	0	0	0
	Acceleration	0	0	0	0	0	0	0	0	0	0
	TOTAL	12	0	0	0	0	0	0	0	0	0
Other Assets	Scheduled	448	39	120	127	234	242	249	257	266	275
	Acceleration	800	1,086	800	0	0	0	0	0	0	0
	TOTAL	1,248	1,125	920	127	234	242	249	257	266	275
* Walk The York*											
Stormwater Drainage	Scheduled	372	80	0	0	0	0	0	0	0	0
	Acceleration	0	0	0	0	0	0	0	0	0	0
	TOTAL	372	80	0	0	0	0	0	0	0	0
Total New Asset Expenditure		2,918	3,250	2,755	2,065	2,379	2,556	2,694	2,843	3,000	3,219

Operating Income

Rates

Rates includes revenue from General Rates, Service Charges (Refuse Collection), National Resource Management Levies collected on behalf of State Government, CWMS and Water service charges, fines for late payment and incorporates rebates available for each category.

The Rate Revenue increase shown in the tables is the average increase and actual changes to rates may vary dependant on valuations and other criteria. The Revenue line in the LTFP also includes an allowance for growth currently estimated at 0.5% p.a. based on trends over the past 2 years.

Statutory Charges

Statutory Charges are fees related to the regulation of activities including Development Applications (set by State Government), Animal Registration and various Licence Fees.

Statutory charges have been reviewed for 2013/14 based on historical levels and increases at estimated CPI are expected from year 2 of the LTFP.

User Charges

This category of income consists of fees for recovery of service delivery costs and income from Caravan Parks operated or leased by Council.

User charges, including caravan park income is expected to increase in line with CPI movements.

Grants & Subsidies

The primary components of this category are constituted of Local Government Grants Commission grants and grants for projects such as Foreshore Protection and Tourism projects. Roads to Recovery Grants (RTR) and Walk the Yorke project funding are not included in this category but are shown as Grants Received Specifically for New/Upgraded Assets.

Grants Commission Grants in the LTFP are predicted to increase at a rate of 2% per annum until end of 2015/16 and thereafter expected to increase in line with CPI.

Other Grants available to Council are expected to increase by CPI for the 10 years of the projection.

Grants Received Specifically for New Assets

RTR Income has been included for the 10 years of the LTFP and has been assumed to increase in line with CPI.

Walk the Yorke contributions are recognised in 2013/14 (\$400k), 2014/15 (\$543k) and 2014/15 (\$400k).

Investment Income

Investment Income included in the LTFP is reflective of projections of cash available for investment and investment rates are in line with current trends experienced in the past 2 years. Council's Treasury Management Policy ensures available funds are managed on a regular basis to maximise returns. Adjustments made in the 2013/14 budget reflect recent falls in interest rates.

Reimbursements

This category includes reimbursements by Community Groups; Sporting Clubs and individuals for expenses incurred by Council on their behalf and on-billed. This category also includes any amounts charged for Private Works performed by Council.

Reimbursements in the first year of the LTFP are expected to increase significantly with the cost of water playing a significant part. Reimbursements from year 2 of the LTFP are expected to be in line with CPI.

Other Revenue

Includes income from minor sundry activities.

Other income is expected to increase equivalent to CPI over the 10 years of the LTFP.

Operating Expenses

Employee Costs

Includes all labour costs inclusive of salaries, wages, superannuation, leave entitlements and workers compensation insurance.

Costs in this category are based on staffing levels at the time of development of the LTFP and do not contain specific allowances for increases in staff numbers over the life of the LTFP.

Increases are projected at the average of current Enterprise Bargaining Agreements (EBA) with an allowance of approximately 0.2% for reclassifications and “annual” award service increases.

Materials, Contracts and Other Expenses

Material costs in this category include road making materials, water, fuel, electricity, and office consumables: Contracts includes payments to outside entities for provision of services to Council including Waste Management Services. This category also includes payments to consultants and legal fees incurred by Council.

Over the 10 years of the LTFP:

- Water charges increasing at 1.2 times CPI;
- Power charges increasing at 1.2 times CPI;
- Materials have increased across the term of the LTFP by CPI plus 0.1% to allow for increased usage of Council assets due to area growth;
- Waste Management costs, have been increased at CPI plus 0.5% growth across the full term of the LTFP;
- Insurance, legal expenses, grants to Progress Associations, operating lease rentals and general contractors are expected to increase in line with CPI;
- No specific increase has been included to provide for Carbon Tax impact and may require assessment at a future date when more information is available to Council.

Finance Costs

Finance Costs include interest on borrowings and bank charges.

Finance costs are based on forecast rates contained within the model and are based on applicable rates for existing loans and reflective of reductions achieved with Council's decision to change its banking provider following an open tender in 2012/13.

Depreciation

Depreciation is an accounting charge to Operating Expenses showing the rate of consumption of Council's infrastructure, buildings, plant and equipment and other fixed assets and is effectively a provision for replacement of these assets at the optimum estimated time to support the provision of current Council services.

Depreciation in the LTFP is calculated based on best estimates of consumption of Council's assets over their useful lives. The estimate is also reflective of existing Asset Management Plans, advice taken from senior Council officers and the strategic decision taken by Council to increase renewal expenditure on assets and the reduction forecast in spending on new assets.

Depreciation on transport infrastructure was reviewed during 2012/13 and depreciation levels were reduced based on re-assessments of useful lives and the introduction of residual values for assets undergoing renewal.

Treasury Management Strategy

Financing forecasts in the LTFP have been made with consideration of Council's current Treasury Management Strategy.

"Council's operating and capital expenditure decisions are made on the basis of:

- *identified community need and benefit relative to other expenditure options;*
- *cost effectiveness of the proposed means of service delivery; and,*
- *affordability of proposals having regard to Council's long term financial sustainability (including consideration of the cost of capital and the impact of the proposal on Council's Net Financial Liabilities and Interest cover ratios¹.)*

Council manages its finances holistically in accordance with its overall financial sustainability strategies and targets and will:

- *apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required."*

Strategic Rating Policy

General Rates

Rates are Council's main source of income. They are used to provide the funds to deliver services and maintain infrastructure required by the community.

Rates are a form of property taxation and property values play an important part in determining how much each individual ratepayer contributes. As it is a system of taxation, the rates paid may not directly relate to the services used by each ratepayer. Generally, the higher the value of the property the higher the rates paid.

Along with most other Councils, we use capital value to value all properties. Capital value is the value of the land and all improvements.

In determining how rates are applied, we use a differential rating system with a fixed charge. Differential rates allow us to set a different rate depending on the use to which the land is put - whether it be residential, commercial, primary production, etc. A fixed charge is a fixed, or flat amount, that all ratepayers have to contribute to equally. Differential rates are calculated on top of a fixed charge.

In addition to General Rates, as described above, Council will use its rating powers to raise the following rates and charges.

Waste Collection & Recycling Service Charge

This service charge is charged to recover the cost of providing the Waste Collection & Recycling service. Council charges a set amount per property. Council calculates one service charge for properties entitled to receive a two bin service and another for those properties entitled to receive a three bin service.

This service charge is subject to a specific provision of the Local Government Act and Council has been required to introduce a system that calculates the amount payable by residents outside town limits depending on the distance of their property access point to the nearest collection point.

The two bin service charges have been re-aligned based on the following distances from collection points:

- | | |
|--------------------------------|---|
| • Within 500 metres | 100% of declared charge |
| • 500 metres to 2 kilometres | 75% of declared charge |
| • 2 kilometres to 5 kilometres | 50% of declared charge |
| • Outside 5 kilometres | No service unless negotiated with Council |

Natural Resource Management Levy

Council is required to collect an amount each year which is paid to the local Natural Resource Management Board. Council are informed each year of the amount to be collected. Council uses the capital value of properties to determine a rate-in-the-dollar for the NRM Levy.

Community Waste Management Scheme (CWMS) Service Charge

Council operates a number of CWMS schemes which provide a community effluent or sewerage scheme to properties. Council calculates a service charge each year to cover the cost of operating and maintaining and replacing equipment for all the schemes. A different service charge is set each year for occupied and unoccupied properties.

Water Scheme Service Charge

Council operates a number of Water schemes throughout the district. Council calculates a service charge each year to cover the cost of operating and maintaining and replacing equipment for all the schemes. In addition to a service charge properties are charged for their water use.

Rate relief

For ratepayers who may have difficulty paying their rates Council has a number of schemes to assist people who find themselves in this circumstance. Council provides:

- Rate capping scheme;
- Postponement of rates scheme;
- Negotiated repayments.

Yorke Peninsula Council Long Term Financial Plan 2013/2014 to 2022/2023



Financial Statements

- Uniform Presentation of Finances

Yorke Peninsula Council		10 Year Long Term Financial Plan									
LTFP - Projection First Quarter Review 2013/2014											
SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS											
Year Ended 30 June:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Audited	Rev Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	1st Quarter	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
Operating Revenues	24,100	25,729	27,105	28,447	29,916	31,523	33,164	34,901	36,752	38,735	40,897
less Operating Expenses	27,417	28,382	29,424	30,439	31,448	33,496	34,678	35,811	37,033	38,238	41,340
Operating Surplus/(Deficit) before Capital Amounts	(3,317)	(2,653)	(2,319)	(1,992)	(1,532)	(1,973)	(1,514)	(910)	(281)	497	(443)
Less: Net Outlays on Existing Assets											
Capital Expenditure on Renewal/Replacement of Existing Assets	3,731	5,066	5,734	6,190	6,464	8,001	8,701	9,367	9,933	9,797	10,666
less Depreciation, Amortisation & Impairment	8,826	9,045	9,398	9,752	10,118	11,438	11,828	12,231	12,651	13,027	15,216
less Proceeds from Sale of Replaced Assets	163	341	200	160	160	160	160	170	170	170	180
	(5,258)	(4,320)	(3,864)	(3,722)	(3,814)	(3,597)	(3,287)	(3,034)	(2,888)	(3,400)	(4,730)
Less: Net Outlays on New and Upgraded Assets											
Capital Expenditure on New/Upgraded Assets	2,259	2,918	3,250	2,755	2,065	2,379	2,556	2,694	2,843	3,000	3,219
less Amounts Specifically for New/Upgraded Assets	594	994	1,199	1,077	699	721	744	768	793	818	844
less Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0	0
	1,665	1,924	2,051	1,678	1,366	1,658	1,812	1,926	2,050	2,182	2,375
Net Lending / (Borrowing) for Financial Year	276	(257)	(506)	52	915	(34)	(40)	197	558	1,716	1,912

Yorke Peninsula Council Long Term Financial Plan 2013/2014 to 2022/2023



- Comprehensive Presentation of Income

Yorke Peninsula Council LTFF - Projection First Quarter Review 2013/2014 ESTIMATED COMPREHENSIVE INCOME STATEMENT		10 Year Long Term Financial Plan									
Year Ended 30 June:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Audited	Rev Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	1st Quarter	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
INCOME											
Rates	16,428	17,928	19,000	20,142	21,354	22,642	24,010	25,465	27,009	28,655	30,403
Statutory Charges	379	425	499	515	532	550	569	589	610	632	655
User Charges	2,865	2,888	3,007	3,104	3,203	3,306	3,411	3,519	3,631	3,747	3,866
Grants, subsidies, contributions	3,397	3,702	3,788	3,876	4,000	4,128	4,260	4,397	4,538	4,683	4,833
Investment Income	249	109	113	50	42	87	78	69	74	99	192
Reimbursements	570	481	496	552	570	588	607	626	646	667	688
Other Income	212	196	202	208	215	222	229	236	244	252	260
Total Revenues	24,100	25,729	27,105	28,447	29,916	31,523	33,164	34,901	36,752	38,735	40,897
EXPENSES											
Employee costs	7,140	7,297	7,545	7,801	8,066	8,342	8,626	8,918	9,221	9,533	9,856
Materials, contracts & other expenses	11,149	11,837	12,289	12,680	13,121	13,581	14,099	14,545	15,052	15,578	16,173
Depreciation	8,826	9,045	9,398	9,752	10,118	11,438	11,828	12,231	12,651	13,027	15,216
Finance Costs	302	203	192	206	143	135	125	117	109	100	95
Total Expenses	27,417	28,382	29,424	30,439	31,448	33,496	34,678	35,811	37,033	38,238	41,340
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(3,317)	(2,653)	(2,319)	(1,992)	(1,532)	(1,973)	(1,514)	(910)	(281)	497	(443)
Net gain/(loss) on disposal or revaluations	49	131	10	10	10	10	10	10	10	10	10
Amounts specifically for new assets	594	994	1,199	1,077	699	721	744	768	793	818	844
Physical resources free of charge	14	0	0	500	0	600	0	600	0	650	0
NET SURPLUS/(DEFICIT)	(2,660)	(1,528)	(1,110)	(405)	(823)	(642)	(760)	468	522	1,975	411
Other Comprehensive Income											
Changes in revaluation surplus - IPP&E	0	0	2,364	0	19,813	0	0	10,200	0	29,172	0
Total Other Comprehensive Income	0	0	2,364	0	19,813	0	0	10,200	0	29,172	0
TOTAL COMPREHENSIVE INCOME	(2,660)	(1,528)	1,254	(405)	18,990	(642)	(760)	10,668	522	31,147	411

Yorke Peninsula Council Long Term Financial Plan 2013/2014 to 2022/2023



- Balance Sheet

Yorke Peninsula Council LTFP - Projection First Quarter Review 2013/2014 ESTIMATED BALANCE SHEET		10 Year Long Term Financial Plan									
Year Ended 30 June:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Audited Financials \$('000)	Rev Budget 1st Quarter \$('000)	Plan Year 2 \$('000)	Plan Year 3 \$('000)	Plan Year 4 \$('000)	Plan Year 5 \$('000)	Plan Year 6 \$('000)	Plan Year 7 \$('000)	Plan Year 8 \$('000)	Plan Year 9 \$('000)	Plan Year 10 \$('000)
ASSETS											
Current Assets											
Cash & Equivalent Assets	2,962	1,980	881	738	1,518	1,369	1,212	1,291	1,733	3,369	5,261
Trade & Other Receivables	1,130	1,164	1,168	1,168	1,168	1,168	1,170	1,170	1,170	1,170	1,170
Investments & Other Financial Assets	20	0	0	0	0	0	0	0	0	0	0
Inventories	887	887	887	887	887	887	887	887	887	887	887
Sub-total	4,999	4,031	2,936	2,793	3,573	3,424	3,269	3,348	3,790	5,426	7,318
Non-current assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	4,999	4,031	2,936	2,793	3,573	3,424	3,269	3,348	3,790	5,426	7,318
Non-Current Assets											
Receivables	0	(34)	(38)	(38)	(38)	(38)	(40)	(40)	(40)	(40)	(40)
Financial Assets	468	467	485	504	524	546	569	593	619	646	662
Infrastructure, Property, Plant & Equipment	276,040	274,789	276,549	276,092	294,167	293,558	292,838	303,309	303,273	332,704	331,203
Total Non-Current Assets	276,508	275,222	276,996	276,558	294,653	294,066	293,367	303,862	303,852	333,310	331,825
Total Assets	281,507	279,253	279,932	279,351	298,226	297,490	296,636	307,210	307,642	338,736	339,143
LIABILITIES											
Current Liabilities											
Trade & Other Payables	1,912	1,916	1,971	1,980	2,006	2,027	2,051	2,077	2,096	2,122	2,145
Borrowings	748	677	246	200	177	183	188	180	152	92	69
Provisions	857	910	921	960	986	1,021	1,052	1,086	1,121	1,157	1,195
Total Current Liabilities	3,517	3,503	3,138	3,140	3,169	3,231	3,291	3,343	3,369	3,371	3,409
Non-Current Liabilities											
Borrowings	2,236	1,559	1,313	1,113	936	753	565	385	233	141	72
Provisions	346	329	365	387	419	448	481	514	550	586	615
Other Non-Current Liabilities	(36)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)
Total Non-Current Liabilities	2,546	1,834	1,624	1,446	1,301	1,147	992	845	729	673	633
Total Liabilities	6,063	5,337	4,762	4,586	4,470	4,378	4,283	4,188	4,098	4,044	4,042
NET ASSETS	275,444	273,916	275,170	274,765	293,756	293,112	292,353	303,022	303,544	334,692	335,101
EQUITY											
Accumulated Surplus	(1,055)	(2,583)	(3,693)	(4,098)	(4,921)	(5,563)	(6,323)	(5,855)	(5,333)	(3,358)	(2,947)
Asset Revaluation Reserve	275,705	275,705	278,069	278,069	297,882	297,882	297,882	308,082	308,082	337,254	337,254
Other Reserves	794	794	794	794	794	794	794	794	794	794	794
TOTAL EQUITY	275,444	273,916	275,170	274,765	293,755	293,113	292,353	303,021	303,543	334,690	335,101

Yorke Peninsula Council Long Term Financial Plan 2013/2014 to 2022/2023



- Changes in Equity

Yorke Peninsula Council LTFP - Projection First Quarter Review 2013/2014 ESTIMATED STATEMENT OF CHANGES IN EQUITY		10 Year Long Term Financial Plan									
Year Ended 30 June:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Audited	Rev Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	1st Quarter	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
ACCUMULATED SURPLUS											
Balance at end of previous reporting period	1,078	(1,055)	(2,583)	(3,693)	(4,098)	(4,921)	(5,563)	(6,323)	(5,855)	(5,333)	(3,358)
Net Result for Year	(2,660)	(1,528)	(1,110)	(405)	(823)	(642)	(760)	468	522	1,975	411
Transfers to Other Reserves	(23)	0	0	0	0	0	0	0	0	0	0
Transfers from Other Reserves	550	0	0	0	0	0	0	0	0	0	0
Balance at end of period	(1,055)	(2,583)	(3,693)	(4,098)	(4,921)	(5,563)	(6,323)	(5,855)	(5,333)	(3,358)	(2,947)
ASSET REVALUATION RESERVE											
Land	0	0	2,213	2,213	2,213	2,213	2,213	11,797	11,797	11,797	11,797
Buildings and Other Structures	0	0	0	0	3,139	3,139	3,139	3,139	3,139	6,784	6,784
Transportation Infrastructure	274,472	274,472	274,472	274,472	288,315	288,315	288,315	288,315	288,315	310,009	310,009
Plant & Equipment	960	960	960	960	1,637	1,637	1,637	1,637	1,637	2,467	2,467
Furniture & Fittings	0	0	0	0	40	40	40	40	40	45	45
CWMS Infrastructure	273	273	273	273	1,397	1,397	1,397	1,397	1,397	3,093	3,093
Water Scheme Infrastructure	0	0	0	0	132	132	132	132	132	360	360
Other Assets	0	0	0	0	858	858	858	858	858	1,932	1,932
Stormwater Drainage	0	0	151	151	151	151	151	767	767	767	767
Balance at end of period	275,705	275,705	278,069	278,069	297,882	297,882	297,882	308,082	308,082	337,254	337,254
OTHER RESERVES											
Balance at end of previous reporting period	1,321	794	794	794	794	794	794	794	794	794	794
Transfers from Accumulated Surplus	23	0	0	0	0	0	0	0	0	0	0
Transfers to Accumulated Surplus	(550)	0	0	0	0	0	0	0	0	0	0
Balance at end of period	794	794	794	794	794	794	794	794	794	794	794
TOTAL EQUITY AT END OF REPORTING PERIOD	275,444	273,916	275,170	274,765	293,755	293,113	292,353	303,021	303,543	334,690	335,101

Yorke Peninsula Council Long Term Financial Plan 2013/2014 to 2022/2023



- Cash Flow Statement

Yorke Peninsula Council		10 Year Long Term Financial Plan									
LTFP - Projection First Quarter Review 2013/2014											
ESTIMATED CASH FLOW STATEMENT											
Year Ended 30 June:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Audited	Rev Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	1st Quarter	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
CASH FLOWS FROM OPERATING ACTIVITIES											
<u>Receipts</u>											
Rates	16,428	17,928	19,000	20,142	21,354	22,642	24,010	25,465	27,009	28,655	30,403
Statutory Charges	379	425	499	515	532	550	569	589	610	632	655
User Charges	2,831	2,884	3,007	3,104	3,203	3,304	3,411	3,519	3,631	3,747	3,866
Grants, subsidies, contributions	3,397	3,702	3,788	3,876	4,000	4,128	4,260	4,397	4,538	4,683	4,833
Investment Income	249	109	113	50	42	87	78	69	74	99	192
Reimbursements	570	481	496	552	570	588	607	626	646	667	688
Other Income	212	196	202	208	215	222	229	236	244	252	260
<u>Payments</u>											
Employee costs	(7,115)	(7,255)	(7,529)	(7,766)	(8,039)	(8,309)	(8,595)	(8,885)	(9,187)	(9,498)	(9,819)
Materials, contracts & other expenses	(11,127)	(11,852)	(12,221)	(12,664)	(13,084)	(13,550)	(14,064)	(14,509)	(15,021)	(15,541)	(16,138)
Finance Costs	(302)	(203)	(192)	(206)	(143)	(135)	(125)	(117)	(109)	(100)	(95)
Net Cash provided by (or used in) Operating Activities	5,522	6,415	7,163	7,811	8,650	9,527	10,380	11,390	12,435	13,596	14,845
CASH FLOWS FROM INVESTING ACTIVITIES											
<u>Receipts</u>											
Amounts Specifically for New/Upgraded Assets	594	994	1,199	1,077	699	721	744	768	793	818	844
Sale of Renewed/Replaced Assets	163	341	200	160	160	160	160	170	170	170	180
Sale of Surplus Assets	103	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>											
Expenditure on Renewal/Replacement of Assets	(3,731)	(5,066)	(5,734)	(6,190)	(6,464)	(8,001)	(8,701)	(9,367)	(9,933)	(9,797)	(10,666)
Expenditure on New/Upgraded Assets	(2,259)	(2,918)	(3,250)	(2,755)	(2,065)	(2,379)	(2,556)	(2,694)	(2,843)	(3,000)	(3,219)
Net Cash Provided by (or used in) Investing Activities	(5,130)	(6,649)	(7,585)	(7,708)	(7,671)	(9,499)	(10,354)	(11,124)	(11,812)	(11,808)	(12,861)
CASH FLOWS FROM FINANCING ACTIVITIES											
<u>Receipts</u>											
Proceeds from Borrowings	0	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>											
Repayments of Borrowings	(963)	(748)	(677)	(246)	(200)	(177)	(183)	(188)	(180)	(152)	(92)
Net Cash provided by (or used in) Financing Activities	(963)	(748)	(677)	(246)	(200)	(177)	(183)	(188)	(180)	(152)	(92)
Net Increase/(Decrease) in cash held	(571)	(982)	(1,099)	(143)	779	(149)	(157)	78	443	1,636	1,892
Opening cash, cash equivalents or (bank overdraft)	3,533	2,962	1,980	881	738	1,518	1,369	1,212	1,291	1,733	3,369
Closing cash, cash equivalents or (bank overdraft)	2,962	1,980	881	738	1,518	1,369	1,212	1,291	1,733	3,369	5,261

Yorke Peninsula Council Long Term Financial Plan 2013/2014 to 2022/2023



- Key Financial Ratios

Yorke Peninsula Council	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FINANCING TRANSACTIONS	Audited	Rev Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	1st Quarter	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
New Borrowings	0	0	0	0	0	0	0	0	0	0	0
LTFP - Projection First Quarter Review 2013/2014											
KEY FINANCIAL INDICATORS	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Audited	Rev Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	1st Quarter	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Surplus Ratio - %	(20)%	(15)%	(12)%	(10)%	(7)%	(9)%	(6)%	(4)%	(1)%	2%	(1)%
Net Financial Liabilities Ratio - %	6.2%	6.7%	8.2%	7.6%	4.2%	4.1%	4.0%	3.2%	1.6%	(2.9)%	(7.5)%
Interest Cover Ratio - %	0.2%	0.4%	0.3%	0.5%	0.3%	0.2%	0.1%	0.1%	0.1%	0.0%	(0.2)%
Asset Sustainability Ratio - %	40%	52%	59%	62%	62%	69%	72%	75%	77%	74%	69%

Significant Long Term Financial Plan Risks

The YPC Draft Long Term Financial Plan has been constructed based on a set of assumptions which reflect current trends as best interpreted by Council. Any of these assumptions may change due to influences beyond Council's control and place significant pressure on Council to achieve its stated objectives.

Given the 10 year timeframe of the LTFP, changes in these assumptions are almost certain at some time over the journey, As such the LTFP will demand constant updating and Council will undertake to keep the LTFP up to date with quarterly reviews following budget reviews required under Local Government Regulations.

Within Local Government there are many factors that could have significant impact on forecasts such as legislative changes, changes in economic conditions which may impact CPI and growth estimates, major events that may have significant consequences within the Council area of operation.

Changes in community expectations of Council in regard to services provided and new services required also presents significant risk in relation to the LTFP objectives which Council will monitor via its stated strategy to not introduce changes to services, or add new services, without reference to their impact on the LTFP.

While Asset Management Plans address replacement of core assets based on expected useful life estimates there is always the risk that deterioration of these assets may be quicker or slower than expected due to changes in factors impacting on the particular assets. There is also the chance that major replacement programs could be disrupted by shortages within the skilled workforce or abnormal weather conditions.

Asset Management Plans and the LTFP assume that at least current levels of funding for renewal of assets from both State and Federal Governments will continue across the term however any change to these arrangements would also threaten the basis of the projections.

A further risk is presented with the replacement of Elected Members at elections every 4 years. Council is confident that continuity in this regard can be achieved through close monitoring and regular financial reporting together with the proposed quarterly reviews of the LTFP.